
By: Senator Astle

Introduced and read first time: February 2, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Coverage for Carbon Monoxide Injuries and Damage in Multifamily Rental**
3 **Dwellings**

4 FOR the purpose of requiring a certain contract of insurance for certain property to
5 provide coverage for personal injury and property damage arising outof the
6 discharge, dispersal, release, or escape of carbon monoxide from a heating,
7 ventilation, air-conditioning, or refrigeration system under certaincircumstances;
8 exempting certain intentional discharges of carbon monoxide for the purpose of
9 causing personal injury and property damage from the provisions of this Act;
10 authorizing the Insurance Commissioner to adopt certain regulations;requiring the
11 Commissioner to review certain forms and enforce compliance with this Act;
12 defining certain terms; providing for the future codification of certain provisions of
13 this Act; providing for the effective date of this Act; and generally relating to
14 provision of certain insurance coverage for certain personal injury and property
15 damage arising out of the discharge of carbon monoxide under certain
16 circumstances.

17 BY adding to

18 Article 48A - Insurance Code
19 Section 752 through 755, inclusive, to be under the new subtitle "59. Coverage
20 Requirements for Carbon Monoxide Injuries and Damage in Multifamily
21 Rental Dwellings"
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1995 Supplement)

24 BY adding to

25 Article - Insurance
26 Section 19-801 through 19-804, inclusive, to be under the new subtitle "Subtitle 8.
27 Coverage Requirements for Carbon Monoxide Injuries and Damage in
28 Multifamily Rental Dwellings"
29 Annotated Code of Maryland
30 (1995 Volume)
31 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of
32 1996)

2

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article 48A - Insurance Code**

4 59. COVERAGE REQUIREMENTS FOR CARBON MONOXIDE INJURIES AND DAMAGE
5 IN MULTIFAMILY RENTAL DWELLINGS

6 752.

7 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (B) "HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION
10 SYSTEM" MEANS A SYSTEM THAT IS DEFINED IN § 9A-101 OF THE BUSINESS
11 REGULATION ARTICLE AS A COOLING SYSTEM, FORCED AIR SYSTEM, HEATING
12 SYSTEM, HYDRONIC SYSTEM, REFRIGERATION SYSTEM, OR VENTILATION SYSTEM.

13 (C) "MULTIFAMILY RENTAL DWELLING" MEANS A RENTAL PROPERTY WHICH
14 CONTAINS FOUR OR MORE DWELLING UNITS.

15 753.

16 A CONTRACT OF INSURANCE COVERING A MULTIFAMILY RENTAL DWELLING
17 THAT IS ISSUED OR RENEWED ON OR AFTER JULY 1, 1996 SHALL INCLUDE
18 COVERAGE FOR LIABILITY FOR PERSONAL INJURY AND PROPERTY DAMAGE
19 ARISING OUT OF THE DISCHARGE, DISPERSAL, RELEASE, OR ESCAPE OF CARBON
20 MONOXIDE FROM A HEATING, VENTILATION, AIR-CONDITIONING, OR
21 REFRIGERATION SYSTEM LOCATED IN AN ENCLOSED SPACE IN A MULTIFAMILY
22 RENTAL DWELLING.

23 754.

24 THIS SUBTITLE MAY NOT BE CONSTRUED TO REQUIRE AN INSURER TO COVER
25 THE DISCHARGE, DISPERSAL, RELEASE, OR ESCAPE OF CARBON MONOXIDE FROM A
26 HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION SYSTEM
27 LOCATED IN AN ENCLOSED SPACE IN A MULTIFAMILY RENTAL DWELLING CAUSED
28 BY THE INSURED WITH THE INTENT TO INFLICT PERSONAL INJURY OR PROPERTY
29 DAMAGE.

30 755.

31 (A) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE
32 PURPOSES OF THIS SUBTITLE.

33 (B) THE COMMISSIONER SHALL REVIEW POLICY FORMS AND
34 ENDORSEMENTS TO IMPLEMENT AND ENFORCE COMPLIANCE WITH THE
35 PROVISIONS OF THIS SUBTITLE.

36 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
37 read as follows:

3

1 **Article - Insurance**

2 SUBTITLE 8. COVERAGE REQUIREMENTS FOR CARBON MONOXIDE INJURIES AND
3 DAMAGE IN MULTIFAMILY RENTAL DWELLINGS.

4 19-801.

5 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (B) "HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION
8 SYSTEM" MEANS A SYSTEM THAT IS DEFINED IN § 9A-101 OF THE BUSINESS
9 REGULATION ARTICLE AS A COOLING SYSTEM, FORCED AIR SYSTEM, HEATING
10 SYSTEM, HYDRONIC SYSTEM, REFRIGERATION SYSTEM, OR VENTILATION SYSTEM.

11 (C) "MULTIFAMILY RENTAL DWELLING" MEANS A RENTAL PROPERTY WHICH
12 CONTAINS FOUR OR MORE DWELLING UNITS.

13 19-802.

14 A CONTRACT OF INSURANCE COVERING A MULTIFAMILY RENTAL DWELLING
15 THAT IS ISSUED OR RENEWED ON OR AFTER JULY 1, 1996 SHALL INCLUDE
16 COVERAGE FOR LIABILITY FOR PERSONAL INJURY AND PROPERTY DAMAGE
17 ARISING OUT OF THE DISCHARGE, DISPERSAL, RELEASE, OR ESCAPE OF CARBON
18 MONOXIDE FROM A HEATING, VENTILATION, AIR-CONDITIONING, OR
19 REFRIGERATION SYSTEM LOCATED IN AN ENCLOSED SPACE IN A MULTIFAMILY
20 RENTAL DWELLING.

21 19-803.

22 THIS SUBTITLE MAY NOT BE CONSTRUED TO REQUIRE AN INSURER TO COVER
23 THE DISCHARGE, DISPERSAL, RELEASE, OR ESCAPE OF CARBON MONOXIDE FROM A
24 HEATING, VENTILATION, AIR-CONDITIONING, OR REFRIGERATION SYSTEM
25 LOCATED IN AN ENCLOSED SPACE IN A MULTIFAMILY RENTAL DWELLING CAUSED
26 BY THE INSURED WITH THE INTENT TO INFLICT PERSONAL INJURY OR PROPERTY
27 DAMAGE.

28 19-804.

29 (A) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE
30 PURPOSES OF THIS SUBTITLE.

31 (B) THE COMMISSIONER SHALL REVIEW POLICY FORMS AND
32 ENDORSEMENTS TO IMPLEMENT AND ENFORCE COMPLIANCE WITH THE
33 PROVISIONS OF THIS SUBTITLE.

34 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
35 take effect July 1, 1996.

36 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
37 take effect October 1, 1997.